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SECURITY INFORMATION

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JSW
WHP
MHS-file

22 December 1951

MEMORANDUM FOR: Deputy Director (Administration)

SUBJECT: Weekly Report - Office of General Counsel
Covering Period of 17 Dec - 22 Dec 1951

1. Personnel. The Wage Stabilization Board has expressed the informal opinion that wage board personnel, salary board personnel and personnel whose wages or salaries are governed by independent administrative wage fixing authority are subject to the rules and regulations of the Board. Since the employees of this Agency are considered to be under independent wage fixing authority, it would follow that the salary program of CIA is subject to the review and approval of the WSB. This opinion was elicited from representatives of WSB at an informal meeting attended by [redacted]

[redacted] following an initial approach to WSB by Personnel. I informed representatives of WSB that their administrative implementation of the statute, Defense Production Act of 1950, offers conflict with the nondisclosure and protection of intelligence source provisions of P. L. 110; that this Agency would not be in a position to submit facts and figures with respect to numbers of personnel, salaries, etc; that we would apply general standards which had already been approved by the WSB via other agencies and rulings; and that this would be the maximum information that could be relayed to WSB without violating our Congressional mandate. AEC, which has independent wage fixing authority, has submitted a very general letter to WSB, which has had no action to date. The next move would require that we advise WSB of the above position and attempt to settle the matter at that point without further reference. [redacted] is following this matter.

2. Admin. Services. Along the same lines, Administrative Services is applying the standards required by the Davis-Bacon Act without obtaining the formal determinations or rulings of the Department of Labor. Representatives of Services have raised the question of possible reprimand by the Department of Labor for not reporting in accordance with the Department of Labor rules and regulations. If challenged, it would appear that the requirements of Sec. 7 are paramount. The necessity therefore should be made a matter of record, however, in the event of inquiry or request for information by the Department of Labor. Service's action with I&S and OGC assistance.

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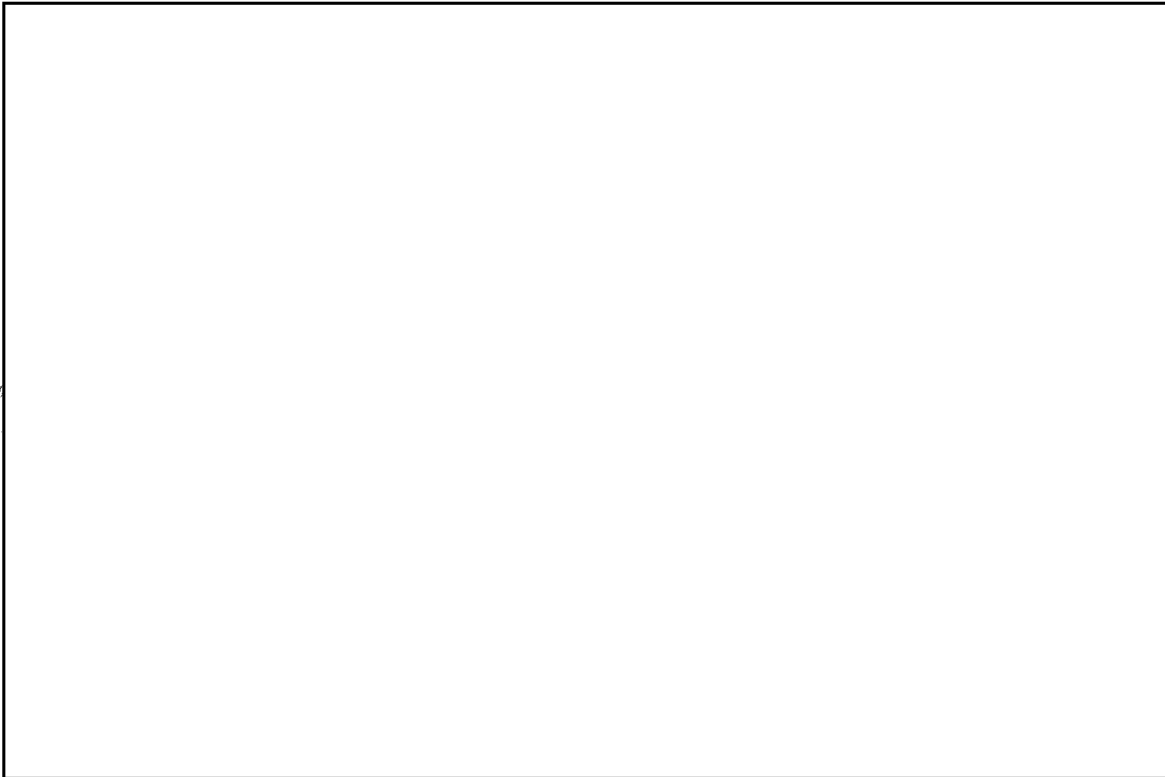
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5. In October, the Comptroller General rendered an opinion approving retention by [redacted] of his retired pay on days for which he was paid a fee as an intermittent consultant. Based on this opinion, we approved with State's concurrence, a similar contract for [redacted] a retired Foreign Service Officer. We have since learned informally that the Comptroller General's office is not too happy about this situation inasmuch as this loophole in the dual compensation prohibitions might be used as a subterfuge to avoid such restrictions. I have informed Mr. Bundy of ONE of this situation and asked him to submit a statement of the number of intermittent consultants used regularly by ONE to indicate that retired officers are not the only ones so utilized. It is hoped this will be useful in allaying any claim that we are employing a subterfuge.

LAWRENCE R. HOUSTON
General Counsel

OGC/LRH:mls

Orig & 1 cc: Addressee
3 cc: OGC

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